MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

June 18, 2007

CALL TO PODIUM:

Harold Belton

RESPONSIBLE STAFF:

Harold Belton, Director
Finance and Administration

AGENDA ITEM:
(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
X	Other: Set the Constant Yield Tax Rate

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	05/07/07
Advertised	04/25/07
Hearing Date	05/14/07
Record Held Open	06/13/07
Policy Discussion	

TITLE:

Establishing a Constant Yield Tax Rate for the City of Gaithersburg for the Fiscal Year July 1, 2007 through June 30, 2008

SUPPORTING BACKGROUND:

In order to comply with state law, a public hearing is required if the tax rate proposed for the fiscal year exceeds the Constant Yield Tax Rate.

From year to year, the City's assessable tax base increases, causing the amount of revenue to increase. The City must hold a public hearing to inform citizens of that increase. As projected by the State Department of Assessments and Taxation, the City's assessable base will increase by 11.9 percent in FY 2008. As the City's assessments increase, the tax rate needed to generate the amount of revenue for the prior year decreases. This Constant Yield Tax would ensure that the City's tax revenue would remain flat from FY 2007 to 2008**.**

The City of Gaithersburg is proposing a tax rate of $.212, which will exceed the $.190 Constant Yield Tax Rate. On April 25, 2007 a notification of a public hearing on the Constant Yield Tax Rate was announced for May 14, 2007. The public hearing was held on that date. During the public hearing, the Mayor and City Council voted to close the record on June 13, 2007. No comments were received.

Staff requests the Mayor and City Council vote to set the Constant Yield Tax Rate and set the rate at $.212 to become effective July 1, 2007.

DESIRED OUTCOME:

Vote to set the Constant Yield Tax Rate